

**BOARD LETTER – SUMMARY SHEET  
HEALTH AND MENTAL HEALTH SERVICES CLUSTER**

<b>AGENDA REVIEW</b>	August 17, 2016
<b>BOARD MEETING</b>	September 6, 2016
<b>SUPERVISORIAL DISTRICT</b>	Third
<b>DEPARTMENT</b>	Mental Health
<b>SUBJECT</b>	Request authority to execute a retroactive amendment to the Department of Mental Health (DMH) Legal Entity Agreement with New Directions, Inc. for Fiscal Year 2014-15.
<b>PROGRAM</b>	Older Adult System of Care
<b>DEADLINES</b>	N/A
<b>COST &amp; FUNDING</b>	<p>The total cost of retroactive amendment is \$71,019 funded with Federal Financial Participation in the amount of \$69,519 and State MHSA revenue in the amount of \$1,500 which is included in DMH's FY 2016-17 Adopted Budget.</p> <p>There is no County cost impact associated with this action.</p>
<b>PURPOSE OF REQUEST</b>	Board approval will allow DMH to pay New Directions for uncompensated mental health services provided to DMH clients during 2014-15. DMH is presently not able to make the payment because the payment would exceed the Legal Entity Agreement's Maximum Contract Amount.
<b>SUMMARY/ ISSUES</b> (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; and prior accomplishments.)	New Directions became a new Medi-Cal services provider in April 2015, but was unable to claim for Medi-Cal services provided using DMH's Integrated System (IS) until the Department of Health Care Services (State) issued their Personal Identification Number (PIN) in June 2015. Because the agency was unable to submit Medi-Cal claims into the DMH's IS, the provider maintained internal claims records and in April 2015, the agency projected they would exceed their MCA for FY 2014-15 based on the number of clients they were serving. The provider notified DMH and requested additional funding. At the time of the provider's request, DMH was unable to access actual Medi-Cal claims data for the provider as a result of the claiming delays caused by the late issuance of the provider's State PIN. Upon review of the agency's claims projections and request, DMH initiated a contract amendment, however, at the time of amendment execution, DMH's delegated authority balance for the agency was insufficient and the amendment could not be processed. DMH explored developing and submitting a Board Letter to request authorization to increase DMH's delegated authority to add the requested funding to the provider's contract, however, there was not sufficient time left in the fiscal year to complete this process. Based on these timing issues, DMH was unable to pay the provider uncompensated care costs to DMH clients before the close of the fiscal year.
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